COUNTY OF SUFFOLK



DEPARTMENT OF PUBLIC WORKS

PHILIP A. BERDOLT DEPUTY COMMISSIONER GILBERT ANDERSON, P.E. COMMISSIONER

DARNELL TYSON, P.E. DEPUTY COMMISSIONER

MEMORANDUM

TO:

Dennis Cohen, Chief Deputy County Executive, Honorable DuWayne Gregory, Presiding Officer of the Suffolk County Legislature, Honorable Legislators; Al Krupski, Chairman of the Public Works, Transportation, & Energy Committee, Louis D'Amaro, the Sewer Agency Legislator-At-Large; Fleming, Browning, Muratore, Hahn, Anker, Calarco, Lindsay, Martinez, Cilmi, Barraga, Trotta, McCaffrey, Stern, Spencer; Walter Hilbert, P.E., Principal Public Health Engineer. representing the Commissioner of the Suffolk County Department of Health Services; Sarah Lansdale, AICP, Director, Suffolk County Planning Department;

Lisa Broughton, representing County Executive Steven Bellone

FROM:

Gilbert Anderson, P.E., Commissioner, SCDPW-and Chairman, Suffolk County

Sewer Agency

DATE:

February 17, 2016

SUBJECT: Please see the attached Suffolk County Sewer Agency agenda for the meeting of

February 22, 2016 at 8:30 AM.

Please note that time of the meeting is 8:30 AM.

GA/JD/cap - Attachments

Jon Schneider, Deputy County Executive

Philip A. Berdolt, Deputy Commissioner SCDPW

Darnell Tyson, P.E., Deputy Commissioner SCDPW

John Donovan, P.E., Chief Engineer, Division of Sanitation, SCDPW

Janice McGovern, P.E., Principal Civil Engineer, Division of Sanitation, SCDPW

Boris Rukovets, P.E., Division of Sanitation, SCDPW

Robert A. Braun, Esq., SC Department of Law

Walter Dawydiak, P.E., SC Department of Health

James Meyers, P.E. SC Department of Health

Kathy Negri, SC Department of Health

Catherine Stark, Aide to Legislator Al Krupski

Jason Richberg, Clerk of the SC Legislature

Justin Littell, Aide to Legislator Louis D'Amaro

Karen Klafter, Aide to Legislator Louis D'Amaro

Debbie Colonna, County Executive's Office

Tony Leung, NYSDEC

Craig A. Platt, Secretary, SC Sewer Agency

The Suffolk County Sewer Agency meets at 11:00 AM at the offices of the Suffolk County Department of Public Works - 335 Yaphank Avenue - Yaphank, NY

SUFFOLK COUNTY IS AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Suffolk County Sewer Agency Meeting Agenda February 22, 2016

- I. Roll Call
- II. <u>Minutes of Previous Meeting</u> (December 21, 2015)
- III. Public Portion
- IV. Old Business
 - 1. 64 Ridge Road (BR-1665)
 - o Connection to SD No. 20 William Floyd (4,165 GPD)
- V. <u>New Business</u>
 - A. Formal Approval Connection/Construction Agreement
 - 1. N/A
 - B. Formal Approval Connection/Construction Agreement Time Extension
 - 1. Middle Country Meadows (BR-1640)
 - o Connection to SCSD No. 11 Selden (19,000 GPD)
 - 2. Damianos Pinelawn LLC 41 Pine Lawn DR LLC (HU-1007.1)
 - o Renewal/Amendment of Connection Agreement
 - C. Conceptual Certification Connection/Construction Agreement
 - 1. N/A
 - D. Conceptual Certification Time Extension
 - 1. N/A
 - E. Miscellaneous
 - 1. Capital Project 8180
 - Truck Scale & Site Work
 - 2. Establishing a Public Hearing for a Sewer Rate Increase Petition
 - o Greens at Half Hollow, LLC (HU-1194)
 - 3. Map and Plan for the Establishment of SD No. 27 Forge River
 - o Authorizing the creation of the Map and Plan for a new County District

64 RIDGE ROAD - OPWDD

BR 1665

This project is an existing 48 unit group living subdivision situated in Ridge. Sewer Agency Resolution 9-1984 approved the connection, however, the connection agreement was not executed. Subsequently, the subdivision connected to the pump station at Ridge Haven Village without an Agency agreement. The Office of People With Developmental Disabilities (OPWDD) requests to complete the connection process and obtain Agency approval of the connection to SCSD No. 20 William Floyd, via the pump station at the Brookwood Apartments. The SCWA records indicate that the project generates Four Thousand One Hundred Sixty-Five gallons per day (4,165 GPD) of wastewater and the capacity continues to be available in the District. The representative of the developer suggested that the Agency approval be tabled until the developer and the OWPDD could work out the details of a 3rd party agreement.

Staff recommends granting the Formal Approval for connection to the District.

Sewer Agency Timeline:

Approval Type	Date	Resolution	Capacity (GPD)
Formal Approval	September 15, 2014	Tabled	4,000

Project Facts:

Type/units: Group living / 48 Units

Area (Ac) 5±

Sewer District: SCSD #20 - William Floyd

Proposed Flow: 4,000 GPD

Groundwater Zone: III

SEQR: Complete

RPTM: 0200-29400-0100-006.000

Legislative District: 6th

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. ___ = 2016 AUTHORIZING THE CONNECTION OF 64 RIDGE ROAD - OPWDD (BR-1665) TO SUFFOLK COUNTY SEWER DISTRICT NO. 20 – WILLIAM FLOYD

WHEREAS, application has been made for 64 Ridge Road - OPWDD which is an existing Forty-Eight (48) unit group living subdivision, located in Ridge, New York, situated on property identified on the Suffolk County Tax Map as District 0200, Section 294.00, Block 01.00, Lot 006.000, and

WHEREAS, the Premises are not located within the boundaries of Suffolk County Sewer District No. 20 – William Floyd (the "District"), or within the boundaries of any other municipal sewer district, and

WHEREAS, the State of New York Office of People with Developmental Disabilities (OPWDD) has applied to this Agency for permission to connect 64 Ridge Road - OPWDD to the sanitary sewerage facilities of the District, and

WHEREAS, Sewer Agency Resolution 9-1984, adopted on March 26, 1984, approved the connection to the District, however, the connection agreement was not executed. Subsequently, 64 Ridge Road - OPWDD connected to the District; without Sewer Agency approval, and

WHEREAS, the OPWDD in order to rectify the oversight, requests to complete the agreement and

WHEREAS, 64 Ridge Road - OPWDD generates an average wastewater flow of Four Thousand One Hundred Sixty-Five gallons per day (4,165 GPD), and

WHEREAS, the District's sewage treatment plant has sufficient capacity to accept the sewage which is expected to emanate from 64 Ridge Road - OPWDD, and

WHEREAS, the connection of 64 Ridge Road - OPWDD to Suffolk County Sewer District No. 20 – William Floyd will be financially beneficial for the sewer district and continue to be environmentally beneficial to Suffolk County, and

WHEREAS, this Agency has determined that the Four Thousand One Hundred Sixty-Five gallons per day (4,165 GPD), of sanitary sewage generated by the said project will continue to be treated at the facilities of the District, and

WHEREAS, pursuant to Title 6 NYCRR Part 617.5(c) (11) and (20), this project involves the extension of utility distribution facilities, including gas, electric, telephone, cable, water and sewer connections to render service in approved subdivisions or in connection with any action on this list; and routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment. No further action under SEQRA should be taken by the Sewer Agency, and

Page 1 of 2

NOW, THEREFORE, IT IS

- 1st RESOLVED, that the SEQRA requirements for this project have been met, and requires no further action, now, therefore, be it further
- 2nd RESOLVED, that the connection authorized herein is subject to the approval of the Suffolk County Legislature and the New York State Department of Environmental Conservation, and it is further
- RESOLVED, that the connection authorized herein is subject to the execution of an agreement (the "Connection Agreement") between the State of New York Office of People with Developmental Disabilities, the District, the Suffolk County Department of Public Works ("DPW"), the Suffolk County Department of Health Services, the County of Suffolk, and this Agency, which agreement shall contain such terms and conditions as the Administrative Head of the District shall determine, and it is further
- 4th RESOLVED, that the connection fee to be paid for the 64 Ridge Road OPWDD shall be paid upon the execution of the Connection Agreement at the rate of \$30.00 per gallon per day (Four Thousand One Hundred Sixty-Five gallons per day, 4,165 GPD), for a total of \$124,950.00, prior to execution of the Connection Agreement, and it is further
- 5th RESOLVED, that 64 Ridge Road OPWDD has at its sole cost, expense and effort, constructed a sewage collection facility for 64 Ridge Road OPWDD and shall offer to dedicate said facility to this Agency, or to this Agency's nominee, at no charge, and it is further
- 6th RESOLVED, that this resolution shall become null and void, and of no further force or effect, without any further action by this Agency or notice to the 64 Ridge Road OPWDD if, within one (1) year from the date of the adoption hereof, an agreement in furtherance of the authorization granted herein (the Connection Agreement), in form and content satisfactory to the Chairman of this Agency, has not been negotiated and fully executed by all parties thereto.

Suffolk County Sewer Agency Meeting (February 22, 2016)

Platt, Craig

From: Milstein, Susan B (OPWDD) <Susan.B.Milstein@opwdd.ny.gov>

Sent: Monday, January 25, 2016 1:14 PM

To: Platt, Craig

Cc: Whitney, Joseph (OPWDD); Celestine, Denise G (OPWDD)

Subject: Ridge Road Sewer Extension Project

It is respectfully requested that you add to the agenda of the Suffolk County Sewer Agency on the next appropriate date: the application by the Long Island Developmental Disabilities Services Office (DDSO)/New York State Office for People with Developmental Disabilities (NYS OPWDD) to connect the subject LIDDSO facility to the Suffolk County Sewer Agency's sanitary sewage system, via a connection to the sewage disposal system of the adjacent Brookwood at Ridge Garden Apartments (100 Village Drive, Ridge).

The Project plat name is Ridge IRA. The project location is 64A Ridge Road, Brookhaven, New York.

I understand that the next meeting is scheduled on February 22, 2016.

Thank you.

SUSAN MILSTEIN

Senior Attorney

NYS Office for People With Developmental Disabilities

44 Holland Avenue 3rd Floor, Albany, NY 12229-0001 (518) 474-7700 | Fax: (518) 474-7382 | Susan.B.Milstein@opwdd.ny.gov www.opwdd.ny.gov

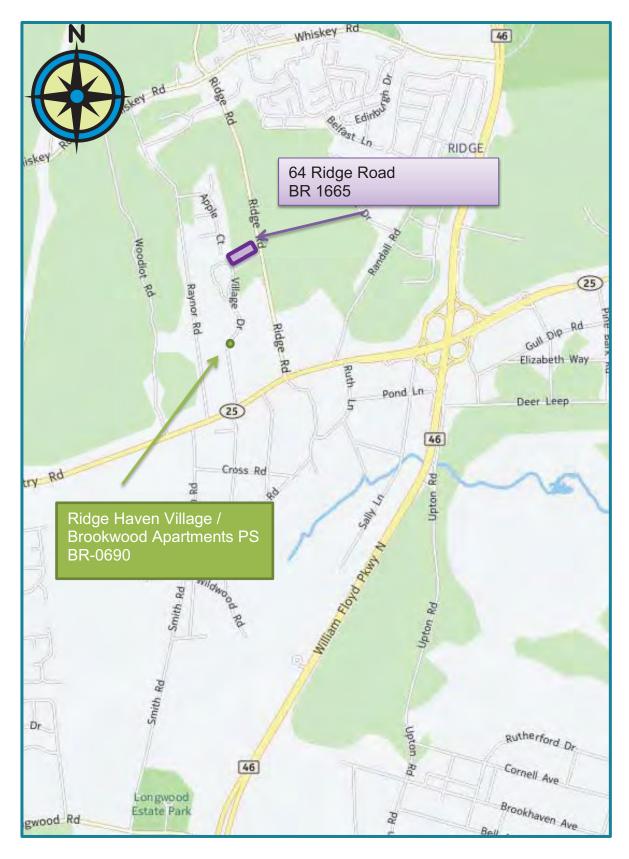
IMPORTANT NOTICE: This message and any attachments are solely for the intended recipient and may contain confidential information which is, or may be, legally privileged or otherwise protected by law from further disclosure. If you are not the intended recipient, any disclosure, copying, use, or distribution of the information included in this e-mail and any attachments is prohibited. If you have received this communication in error, please notify the sender by reply e-mail and immediately and permanently delete this e-mail and any attachments.

Steven Bellone Suffolk County Executive

Suffolk County Sewer Agency Application

Applica	tion	1 yp
1	F	

4. Applicant Name: Long Island	DDSO Regional Office 5. Corporati	3. Application Processed: 7/30
6. Address: 64A Ridge Roa		
8 Telephone #- (631) 493-1	700 9 Federal ID #: 14-60	13200 10. Email Address:
		cation: 64A Ridge Road, Ridge NY
		Section 294
13. Real Property Tax Map # (Note: Use additional Sheets if nece		Lot 6
corporation address, plus nan with Agency. In addition, plea (Attach additional sheets if neo	ne and office in the corporation has se furnish names of all principals	e, give home address. If corporation, give neld by party who will execute Agreement of corporation. THIS IS NOT OPTIONAL.
44 Holland Avenue, Albany,		Since
16. Project Engineering Firm		
17. Project Area in Acres: 18. Type of Development:	# of Plots: # of Units	s:# Gallons/day:#, 000
17. Project Area in Acres: 18. Type of Development: c. Subdivision – Industrial	# of Plots: # of Units a. Subdivision - Residential d. HOA Subdivision	□ b. Subdivision – Commercial □ e. Condominium
17. Project Area in Acres: 18. Type of Development: c. Subdivision – Industrial f. Garden Apartments	# of Plots: # of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center	□ b. Subdivision – Commercial □ e. Condominium □ h. Planned Retirement Community
17. Project Area in Acres: 18. Type of Development: C. Subdivision – Industrial f. Garden Apartments i. Combination of above nur	# of Plots: # of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center	□ b. Subdivision – Commercial □ e. Condominium □ h. Planned Retirement Community □ j. Other
17. Project Area in Acres: 18. Type of Development: □ c. Subdivision – Industrial □ f. Garden Apartments □ i. Combination of above nur 19. The following must accomp	# of Plots:# of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center mbers and pany the application	□ b. Subdivision – Commercial □ e. Condominium □ h. Planned Retirement Community □ j. Other Please return application Suffolk County Sewer An
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17. Project Area in Acres: 18. Type of Development: □ c. Subdivision – Industrial □ f. Garden Apartments □ i. Combination of above nur 19. The following must accomply A. Check in the amount of □ B. Copy of deed in the nature. □ C. Copy of Lead Agency's □ D. Date application submi	# of Plots: # of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center mbers and pany the application f \$550.00 payable to Suffolk Cour me of number 4 (above). SEQRA Declaration. tted to the SCDHS:	b. Subdivision – Commercial e. Condominium h. Planned Retirement Community j. Other Please return application Suffolk County Sewer Ag 335 Yaphank Avenue Yaphank, NY 11980 Attn: Craig A Platt
17. Project Area in Acres: 18. Type of Development: □ c. Subdivision – Industrial □ f. Garden Apartments □ i. Combination of above nur 19. The following must accomply A. Check in the amount of B. Copy of deed in the nature of C. Copy of Lead Agency's □ Date application submit [Note The application submit for the SCDHS to review the applicat	# of Plots:# of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center mbers and pany the application f \$550.00 payable to Suffolk Cour me of number 4 (above). SEQRA Declaration. tted to the SCDHS: tted prior to the Sewer Agency meeting. It is the application thoroughly allure to do so may result in the remove.	b. Subdivision – Commercial e. Condominium h. Planned Retirement Community j. Other Please return application Suffolk County Sewer Ag 335 Yaphank Avenue Yaphank, NY 11980 Attn: Craig A Platt
17. Project Area in Acres:	# of Plots:# of Units a. Subdivision - Residential d. HOA Subdivision g. Shopping Center mbers and pany the application f \$550.00 payable to Suffolk Cour me of number 4 (above). SEQRA Declaration. tted to the SCDHS: tted prior to the Sewer Agency meeting. It is the application thoroughly allure to do so may result in the remove.	b. Subdivision – Commercial e. Condominium h. Planned Retirement Community j. Other Please return application Suffolk County Sewer Ag 335 Yaphank Avenue Yaphank, NY 11980 Attn: Craig A Platt SCDHS Project #: SCDHS Project #: scrit's responsibility to submit the application in a timely manner. Please allow all of the application from the Agency agenda or the pro ect may be tabled as survey of property, or SCDHS Board of



NTS 2016

V. New Business:

B. Formal Approval – Connection/Construction Agreement – Time Extension

MIDDLE COUNTRY MEADOWS

BR-1640

This project is a proposed 124 Unit PRC/Garden Apartment development situated on 13.8± acres on NYS Route 25 in Selden. The development is expected to generate Nineteen Thousand (19,000 GPD) gallons per day of wastewater and the developer requests approval for the connection to the Sewer District No. 11 – Selden. The capacity is currently available in the District.

Staff recommends granting approval of the connection to the District.

Sewer Agency Timeline;

Approval Type	Approval Date	Resolution No.	Capacity (GPD)	Resolution Status
Formal Approval	February 10, 2014	6-2014	19,000	Expired
Conceptual Certification	October 15, 2012	37-2012	19,000	

Project Facts

Type/units: Planned Retirement Community/Garden Apartments (124)

Area: (AC) 13.8± Flow: (GPD) 19,000

Sewer District: SCSD No.11 - Selden

Groundwater Zone: III

SEQRA: Complete

SC Tax Map 0200-48900-0200-033002 & 0200-48900-0200-034000

Legislative District 4th

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. ___ -2016

AUTHORIZING A EXTENSION OF TIME FOR THE CONNECTION OF MIDDLE COUNTRY MEADOWS (BR-1640) TO SUFFOLK COUNTY SEWER DISTRICT NO. 11 - SELDEN

WHEREAS, on February 10, 2014, this Agency adopted Resolution No. 6-2014, authorizing the connection of Middle Country Meadows to Suffolk Country Sewer District No. 11 - Selden, and

WHEREAS, Resolution No. 6-2014, granted one year for completion of the Agreement, but the year has passed without the completion of the Agreement, and

WHEREAS, negotiations concerning such an agreement are incomplete, and a proposed agreement is being prepared, and

WHEREAS, the owner of Middle Country Meadows has requested an extension of the authorization granted in Resolution No. 6-2014,

NOW, THEREFORE, IT IS

- 1st RESOLVED, that Resolution No. 6-2014, adopted by this Agency on February 10, 2014, is hereby renewed, and it is further
- 2nd RESOLVED, that this resolution shall become null and void, and of no further force or effect, without any further action by this Agency or notice to the developer, if, within one (1) year from the date of the adoption hereof, an agreement in furtherance of the authorization granted herein, in form and content satisfactory to the Chairman of this Agency, has not been negotiated and fully executed by all parties thereto.

(Suffolk County Sewer Agency Meeting February 22, 2016)

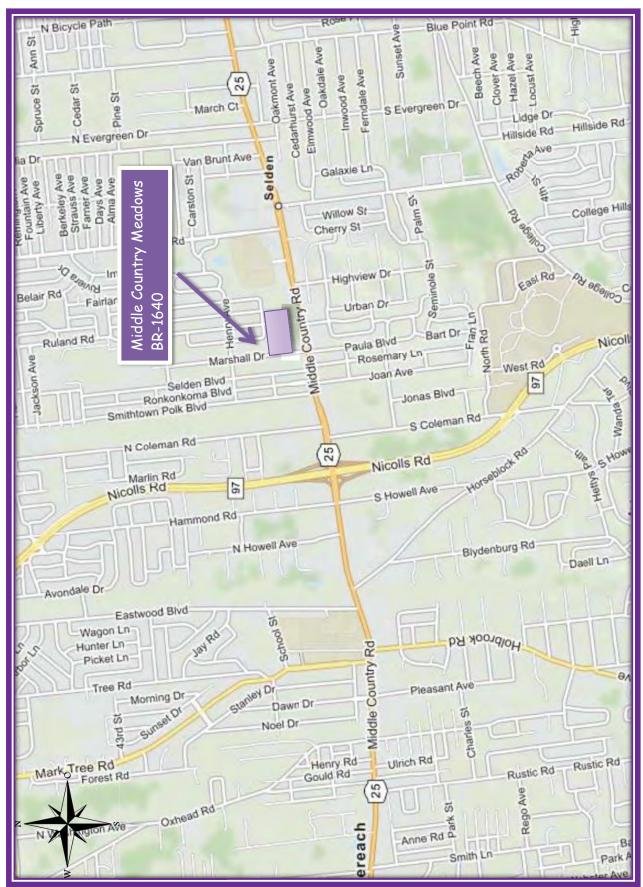


Suffolk County Sewer	
Formal Approval - (Projects Which Have Completed S Conceptual Certification - (Projects Which Have Not Formal Approval - Time Extension - (Time Extension Conceptual Certification - Time Extension - (Time Extension)	Completed SEQRA) n to complete Agreement)
1. SCDPW Project #: BR-1640 2. Application Rece	ived: 3 Application Processed:
4. Applicant Name: Jim Tsunis 5. C	
6. Address: 1 Rabro Drive, Suite 100	
	#: 45-5257757 10. Email Address: Jtsunls@northwindgroup.
11. Project Plat Name: Middle Country Meadows 12. Pr	
13. Real Property Tax Map #(s): 0200-489-02-33.1	0200-489-02-33.2
(Note: Use additional Sheets if necessary)	0200-489-02-34
	., Esq. Certilman Balin, 100 Motor Parkway, Suite 15
Hauppauge, NY 11788	
16. Project Engineering Firm Information: Thomas Melville, NY 11747, (631) 427-5665	F. Lembo, P.E. Nelson & Pope, 572 Walt Whitman Roa
17. Project Area in Acres: 13.78 # of Plots: 1	# of Units: 124 # Gallons/day: 19,000 /
18. Type of Development: a. Subdivision - Re	sidential
☐ c. Subdivision – Industrial ☐ d. HOA Subdivision	e. Condominium
☐ f. Garden Apartments ☐ g. Shopping Center	h. Planned Retirement Community
☑ i. Combination of above numbers F and H	j. Other
19. The following must accompany the application	
A. Check in the amount of \$550.00 payable to Sul	folk County Treasurer.
B. Copy of deed in the name of number 7 (above)	
C. Copy of Lead Agency's SEQRA Declaration.	
D. Date application submitted to the SCDHS: 08/0 Note: Applications without the SCDHS submitta	07/2012 SCDHS Project #:
E. Other pertinent information, such as site plan	and/or survey of property, or SCDHS Board of

Review Determination.

Suffolk County Local Law 20-2007 - Affordable Housing? Yes 20. Is the project subject The applicarit/certifies that the applicable zoning and variances have been secured from the Town.

Applicant's Signature & Title



This project was originally known as the SwissAir & Swiss Air Transport Company, (SA Reso 8-1992). The agreement dated May 14, 1993, expired on December 31, 2015. The new property owners request a time extension to amend and extend the connection agreement.

Staff recommends granting a Time Extension of the Formal Approval to amend and extend the connection agreement to the Southwest Sewer District.

Sewer Agency Time Line:

Approval Type	Approval Date	Resolution No.	Capacity (GPD)	Resolution Status
Formal Approval	May 19, 2014	21-2014	4,200	Expired
Connection Agreement	May 21, 1992	8-1992	4,200	Expired

Project Facts

Type/units: Office Area: (AC) 5± Flow: (GPD) 4,200

Sewer District: SCSD No.3-Southwest

Groundwater Zone: I SEQRA: N/A

SC Tax Map 0400-25500-0100-017000

Legislative District 17th

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO: ___ - 2016
GRANTING A TIME EXTENSION
TO EXECUTE AN AMENDED AND RENEWED
AGREEMENT FOR CONNECTION TO
SUFFOLK COUNTY SEWER DISTRICT NO. 3 – SOUTHWEST BY
DAMIANOS PINELAWN LLC / 41 PINE LAWN DR LLC (HU-1007.1)

WHEREAS, on May 19, 2014, this Agency adopted Resolution No. 21-2014, authorizing the amending and renewing of the connection agreement of Damianos Pinelawn LLC / 41 Pine Lawn DR LLC for connection to Suffolk County Sewer District No. 3 - Southwest, and

WHEREAS, Resolution No. 21-2014, granted one year for completion of the Agreement, but the year has passed without the completion of the Agreement, and

WHEREAS, negotiations concerning such an agreement are incomplete, and a proposed agreement is being prepared, and

WHEREAS, the owner of Damianos Pinelawn LLC / 41 Pine Lawn DR LLC has requested an extension of the authorization granted in Resolution No. 21-2014,

NOW, THEREFORE, IT IS

- 1st RESOLVED, that Resolution No. 21-2014, adopted by this Agency on May 19, 2014, is hereby renewed, and it is further
- 2nd RESOLVED, that this resolution shall become null and void, and of no further force or effect, without any further action by this Agency or notice to the developer, if, within one (1) year from the date of the adoption hereof, an agreement in furtherance of the authorization granted herein, in form and content satisfactory to the Chairman of this Agency, has not been negotiated and fully executed by all parties thereto.

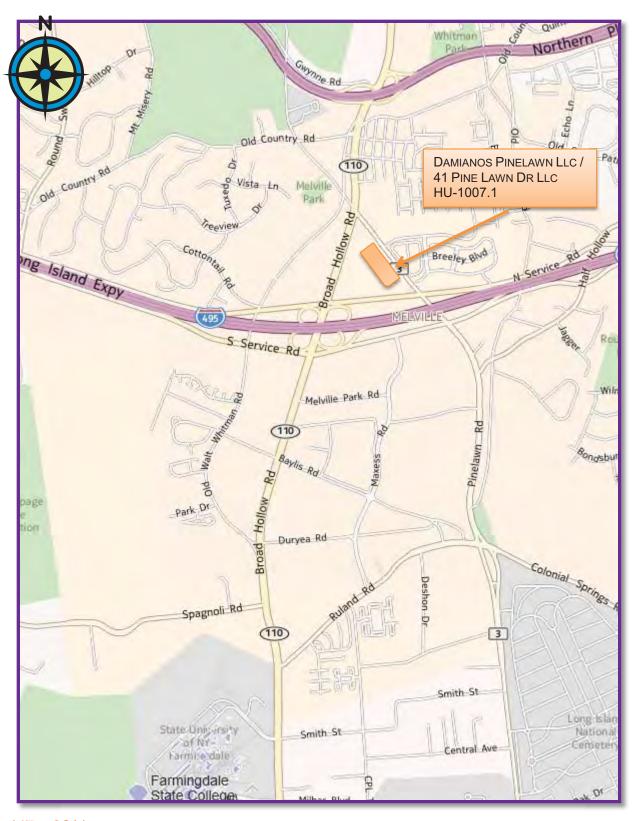
(Suffolk County Sewer Agency Meeting February 22, 2016)

Suffolk County Sewer Agency Application

Steven Ballone Suffolk County Executive	
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Sale State	

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Application Type		The state of the s
Formal Approval - (Projects Whice	h Have Completed SEQRA) acts Which Heve Not Completed SEQRA	
	•	y eement-projects with prior Agency approval)
		plete SEQRA-projects with prior Agency Approval)
4 DODDIN Durit All 2 A	-uli-ation Descived	3. Application Processed:
• •		ion Name: Damianos Realty Group
		Road, Suite 300 8. City: Smithtown, NY 117
9. Federal ID No.: 46-4601179		
11. Project Plat Name: Swiss Air	12. I	Project Location: 41 Pinelawn Road, Melville, NY 11
13. Real Property Tax Map #(s):	0400-255-01-017	
(Note: Use additional Sheets if necessar	y)	
address plus name email, and office in	In the corporation held by party who is of corporation. THIS IS NOT	e home address. If corporation, give corporat will execute Agreement with Agency. In addit OPTIONAL. (Attach additional sheets
41 Pine Lawn DR LLC, 750 Rout	e 25A, Suite 3, Setauket, NY 1	1733
	Email Addre	ess:
15. Project Attorney: Christophe	r E. Kent, Farrell Fritz, P.C., 10	0 Motor Parkway, Suite 138
Hauppauge, NY 11788		
17. Project Area In Acres: 5	No. of Plots: 1 No.	Units: 1 Gallons/day: 4,200
18. Type of Development:	a. Subdivision - Residential	b. Subdivision - Commercial
c. Subdivision - Industrial	d. HOA Subdivision	e. Condominium
	g. Shopping Center	h. Planned Retirement Community j. Other Office (Existing)
i. Combination of above letter	s and	j. Other
19. The following must accompany	the application:	
A. Check in the amount of \$	550.00 payable to Suffolk County	y Treasurer.
B. Copy of deed in the name	of number 4 (above).	
C. Copy of Lead Agency's S	EQRA Declaration.	
D. Date application submittee (Note: The application must be submitted print)		SCDHS Project #: esponsibility to submit the application in a limity manner. Please emoval of the application from the Agency agenda or the project manner.
labled at the Agency meeting.)	•	SCDHS Board of Review Determination.
20a. Is the project connecting to a	•	
20a. Is the project connecting to a 20b. Is the project subject to Suffo		
200. Is the project subject to Suno	na County Local Law 20-2007 - A	on: Existing Office Building that has bee
20c. If answer for 20a, is yes and a connected to SD-3 by Connection	answer for 200, is no, state reason n Agreement dated May 14, 19	93
Commission to Op o by Commission	groomon dated may 11, 10	
The applicant certifies that the app	licable zoning and verlances hav	e been secured from the Town.
X. Cristofer Daminaos	Cienatura	7 Title Date
Applicant's Printed name	Signature	Tillo Date

Note: Incomplete Applications Will Not Be Processed



NTS 2016

E. Miscellaneous:

Capital Project 8180 Suffolk County Sewer District No. 3 – Southwest Sludge Treatment and Disposal Project

This capital project has \$1.6 million in 2016 funding in the adopted budget. The project is to construct a truck scale for weighing trucked sludge cake that is part of a long term sludge management plan. The scale can also be used for chemical deliveries and other activities related to construction on the site. The SEQRA process has been completed (Resolution 122-2012) as an Unlisted Action with the approval conditions stated in the resolution. A public hearing will be held later in the year leading to appropriations.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. ____ = 2016

PUBLIC HEARING / NOTIFICATION TO NYS COMPTROLLER
FOR IMPROVEMENTS TO
SUFFOLK COUNTY SEWER DISTRICT
NO. 3 - SOUTHWEST (CP 8180)

WHEREAS, this project is the construction of a truck scale for weighing trucked sludge cake that is part of a long term sludge management plan at the wastewater treatment plant. The scale can also be used for chemical deliveries and other activities related to construction on the site, and

WHEREAS, this project has \$1.6 in the 2016 adopted Capital Program and Budget, and

WHEREAS, the SEQRA process has been completed;

NOW, THEREFORE, IT IS

1_{st} RESOLVED, that the Suffolk County Sewer Agency direct its attention and staff to take the steps necessary to obtain the approvals required to perform the construction of the truck scale in Suffolk County Sewer District No. 3 – Southwest.

(Suffolk County Sewer Agency Meeting – February 22, 2016)

This project is an existing Three Hundred Thousand (300,000 GPD) gallons per day Wastewater Treatment Plant (WWTP) constructed by S.B.J. Associates under a Construction Agreement dated May 15, 2002. Subsequently, S.B.J. Associates, LLC, transferred ownership of the WWTP to the Greens at Half Hollow, LLC (G@HH). The G@HH has continued to operate and maintain the WWTP. In October of 2010, the Homeowners of the Greens at Half Hollow (G@HH-HOA) met with the Department in an effort to understand the sewer charges attributed to the subdivision, and requested a rate review as per the Construction Agreement (Paragraph 30 (a) – Books and Records). The Department requested records for the period of July 2004 thru June 2011 from the G@HH. The submittals were analyzed by the Department and it was determined that a rate of \$270 (per SFE) annually for entities connected to the WWTP has been deemed to be fair and reasonable. The principals were notified of the rate review on October 12, 2012.

On October 23, 2015, a petition for a rate increase was submitted to DPW by the G@HH. DPW met with the G@HH in November 2015 to discuss the rate petition request and it was agreed that the G@HH would submit records for the period of January 2012 through September 2015 as back up for the petition. On December 15, 2015, DPW sent correspondence to G@HH requesting a summary and justification of the charges.

Subsequently, DPW was notified by the Greens at Half Hollow Homeowners Association (a connectee) that they requested an opportunity to be heard on the rate petition request. Additionally, the New York State Office for People with Developmental Disabilities (OPWDD), another connectee, sent correspondence objecting to the rate increase.

Staff recommends that a public hearing be held to present the opportunity for the communities / entities connected to the WWTP to address the rate increase petition. Once the public hearing is held, Staff will make a recommendation to the Agency based on the public comments, documentation submitted by the petitioner, and Staff's extensive knowledge of the cost of operation and maintenance of wastewater treatment plants.

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. $_$ - 2016

AUTHORIZING A PUBLIC HEARING ON A RATE INCREASE PETITION BY THE GREENS AT HALF HOLLOW, LLC

WHEREAS, S.B.J. Associates, LLC, a limited liability corporation duly organized under, and existing by virtue of, the laws of the State of New York, constructed a privately owned Wastewater Treatment Plant (WWTP) situated on property identified on the Suffolk County Tax Map as District 04.00 Section 259.00 Block 04.00, Lot 003.004, and

WHEREAS, said WWTP was constructed with the approval of the Sewer Agency (Construction Agreement - Liber D00012188 Page 913, recorded in the offices of the County Clerk on May 30, 2002), and

WHEREAS, in the course of time a number of entities connected to the WWTP (Greens at Half Hollow subdivision, Country Pointe subdivision, the LIDDSO, HSC No.5 Housing Development Fund Company, HSC No.6 Housing Development Fund Company, etc.), and

WHEREAS, S.B.J. Associates, LLC, transferred ownership of said WWTP to the Greens at Half Hollow, LLC, and

WHEREAS, the Greens at Half Hollow, LLC, has continued to operate and maintain said WWTP, and

WHEREAS, the Greens at Half Hollow, LLC, as successors to S.B.J. Associates, LLC has the right to submit a petition for a rate increase, as per Section 19. Connection Paragraph E, of said Construction Agreement which states;

"E. In the event that the OWNER, at any time, desires an increase in the rate charged to any connecting entity for the operation and maintenance costs of the PLANT, the OWNER shall make application to the COUNTY for same. The OWNER shall, at the OWNER's sole cost, expense and effort, provide written notice of its application to all of the entities connected to the PLANT. This notice shall be sent via regular, first-class mail, and may be included with the invoices sent by the OWNER to the connected entities for operation and maintenance expenses. This notice shall advise the connected entities that the OWNER is seeking an increase in the rate charged to them for the operation and maintenance costs of the PLANT and that the OWNER has applied to the AGENCY for such an increase, and shall state the date of the AGENCY meeting at which the OWNER's application will be considered. Such notice shall be mailed to each connected entity no less than three weeks prior to the date of the AGENCY meeting at which the OWNER's application will be heard."

WHEREAS, the Greens at Half Hollow, LLC, has submitted a petition to increase the sewer rates for the connectees to said WWTP, and

WHEREAS, the Agency will review said petition and is desirous of receiving public comments regarding such an increase,

WHEREAS, pursuant to Title 6 NYCRR Part 617.5(c) (11) and (20), this project involves the extension of utility distribution facilities, including gas, electric, telephone, cable, water and sewer connections to render service in approved subdivisions or in connection with any action on this list; and routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment. No further action under SEQRA should be taken by the Sewer Agency, and

NOW, THEREFORE, IT IS

- 1st RESOLVED, that the SEQRA requirements for this project have been met, and requires no further action, now, therefore, be it further
- 2nd RESOLVED, that this Agency sets a Public Hearing date of March 21, 2016, at 10:00 AM at the offices of the Commissioner of Public Works, to hear public comment.
- 3rd RESOLVED, that subsequent to said review and public hearing, the Agency Staff will present the findings at the earliest available Agency meeting for the Agency to make a determination on said petition.

Suffolk County Sewer Agency Meeting (February 22, 2016)

LAW OFFICES

ALBERT A. NATOLI, P.C.

THE WOOLWORTH BUILDING • 233 BROADWAY, SUITE 810 • NEW YORK, NY 10279-0815 IVED

October 23, 2015

OCT 2 6 2015

Gilbert Anderson, P.E. Commissioner Suffolk County Sewer Agency 335 Yaphank Avenue Yaphank, NY 11980 SC DEPT OF PUBLIC WORKS
Hon. Frank P. Petrone
Town Supervisor
Town of Huntington
100 Main Street, Room 200
Huntington, NY 11743

RE Greens at Half Hollow LLC Rate Petition

Dear Sirs:

With this letter, Greens at Half Hollow LLC ("GHH" or "the Company") files a petition to increase the rates it charges its customers in the Town of Huntington ("Town"). This petition addresses prospective rates only; *i.e.*, from the date of the decision on this petition. A rate increase is necessary since the Company does not collect enough revenue to cover its costs. The proposed rate is \$869.25 per single family equivalent (SFE).

GHH owns and operates a sewer system as defined in New York State Transportation Corporations Law ("TCL") § 115(2). The rates charged by privately owned sewer systems are regulated by TCL § 121. The authority of the Town Board and the Suffolk County Sewer Agency ("Sewer Agency") to participate in a rate-setting process for a privately owned sewer system is set forth in TCL (id.). The statute provides that the petition "shall be determined within ninety days of its filing, and in the event a determination is not rendered within such period of time, the petition shall be deemed approved" (id.).

GHH provides sewerage services to the Greens at Half Hollow Home Owners Association, and several other entities connected to the system, all on the site of the former Long Island Development Center. The other entities served are the H.S.C. No. 5 Housing Development Fund Company, Inc.; H.S.C. No. 6 Housing Development Fund Company, Inc.; Long Island Developmental Disabilities Service Office; Country Pointe Dix Hills Home Owners Association, and the Greens Golf Club, LLC.

The Company has retained this firm whose principal is an attorney and an experienced rate consultant, to prepare a rate petition based upon the accepted rate-making methodology. The firm's principal's curriculum vitae is attached as Appendix 1.

The rate petition, attached as Appendix 2, is entitled Rate Petition and Analysis Submitted by Greens at Half Hollow LLC to the Suffolk County Sewer Agency and the Town of Huntington ("Petition"). Included in the Petition are three schedules detailing the development of the revenue required and the rates.

There is no statutory or other valid legal requirement that the Company notify its customers of the rate increase Petition. Further, GHH does not recognize the enforceability of the Agreement for the Construction, Operation and Maintenance of a Sewer System with the Sewer Agency, et al., dated May 2002 in many respects. Nevertheless, without prejudice to and with full reservation of all of GHH's rights, claims, positions, and interests and without a waiver of any of them, GHH is voluntarily providing written notice of its application by sending a copy of this letter of transmittal and the Petition to all of the entities connected to the sewer system.

Please contact this office with any questions or if we can be of any assistance. Please send notice of any discussions or any meetings that may be attended by the Company, its representative, or the public regarding this rate application to this office and the petitioner at:

Very truly yours,

Albert A. Natoli

Greens at Half Hollow LLC 377 Oak Street, Suite 110 Garden City, NY 11530 Attn.: Ms. Denise R. Coyle and Mr. Russell A. Mohr

Thank you.

Enclosures

CC: Town Clerk (original and 5 copies)
Mr. Dennis Cohen, Deputy County Executive
Greens at Half Hollow HOA
Country Pointe Dix Hills HOA
Long Island Development Disabilities Service Office
H.S.C. No. 5 Housing Development Fund Company, Inc.
H.S.C. No. 6 Housing Development Fund Company, Inc.
Greens Golf Club, LLC
Residents of the proposed Sewer District No. 26 –
Melville Huntington w/o enclosures

Appendix 1

LAW OFFICES ALBERT A. NATOLI, P.C.

THE WOOLWORTH BUILDING • 233 BROADWAY, SUITE 810 • NEW YORK, NY 10279-0815 TELEPHONE: (212) 619-8087 • FACSIMILE: (877) 770-8087

Professional Experience of Albert A. Natoli, Esq.:

Attorney - Albert A. Natoli, P. C., Counselor-at-Law 1991 - Present; New York, New York

The firm represents clients in utility, environmental, administrative, condemnation, and contract law. We prepare and critique rate reports, filings, allocated cost studies, and rate designs. We develop, implement, and interpret the rules and regulations that apply to municipal and private utilities. We prepare and analyze contracts among and between governmental entities, utilities, and customers. We negotiate effectively on behalf of governmental entities, utilities, plaintiffs, and defendants. We argue appeals and litigate before trial courts, administrative agencies, and other regulators. Our clients have included water, waste water, energy, and telecommunications utilities, state authorities, municipalities, and customers.

The firm has developed negotiating strategies and successfully completed the sale of utility assets. For the owners of one utility, we obtained one of the highest negotiated prices ever obtained for a water utility of its size.

We have developed, prepared, and implemented public utility financings using innovative loan enhancements to enable small utilities to obtain long-term tax-exempt bonds. We have represented utilities, municipalities, and customers. As part of this practice, a complete review of financial statements and the financial credibility of the client's earnings is undertaken regularly.

The firm is efficient and experienced with large, complex litigation, as well as small matters. We represented one of the largest public water authorities in the country and successfully litigated its pollution claim. After a five-week trial, the court dismissed all of the causes of action by every other plaintiff. However, at trial and on appeal, we convinced the courts to extend their interpretation of the statutes and permitted our cause of action to prevail.

Partner - Natoli & Pocchia, Attorneys at Law 1984-1991; New York, New York

In addition to the activities described above, Natoli & Pocchia served as a lobbyist for a major telephone utility on matters relating to competition and franchise rights.

Adjunct Professor - Brooklyn College of the City University of New York 1989-1990; Brooklyn, New York

Taught Corporate Law.

President - Utility Regulatory Consultants, Inc. 1985-1987; Brooklyn, New York

Utility Regulatory Consultants, Inc., provided utility consulting services concerning state and federal administrative regulation, engineering and economic plant evaluation, management operations, computer applications, and network development and maintenance. The corporation, also, provided professional employees on a *per diem* basis.

As President, Albert A. Natoli consulted to NYNEX (now Verizon) and sewer companies, providing advice and expert testimony. He prepared and, in part, presented a utility regulation course for professionals. This five-day seminar covered all aspects of utility rate making including rate of return, finance, and rate design. It also included an intensive review of the interrelationship among utility corporations, government, and regulators.

Litigation Counsel - The New York City Energy Office 1982-1984; New York, New York

As the litigating attorney for the NYC Energy Office, Albert A. Natoli represented the City of New York in energy-related litigation. He also served as a utility and legal expert for interdepartmental consultations with the NYC Department of Environmental Protection, the Bureau of the Budget, and various economic development offices. In this position, he lead a team of engineers, economists, and financial experts who analyzed environmental, utility rate, and finance applications. He selected issues for litigation and managed and presented the City's arguments with respect to the areas litigated. Other duties in that position included the selection and supervision of rate, engineering, financial, and economic consultants and expert witnesses.

Lead by its Litigation Counsel, the New York City Energy Office successfully developed testimony determining a more appropriate debt-equity ratio and convinced the Public Service Commission to have one of the largest electric utilities in the State of New York balance its financial structure and reduce capital costs.

Associate Valuation Engineer - New York State Department of Public Service 1970 to 1981; New York, New York

During his years at the Public Service Commission, Albert A. Natoli prepared and presented expert testimony relating to the Long Island aquifer, rate, and service proceedings; prepared and/or coordinated the presentation of cost of service, weather normalization, original cost, and rate design studies, and supervised and organized the preparation of his engineering staff's presentation of direct testimony and cross-examination in formal rate and service proceedings.

He advised the Public Service Commission at its sessions and individual commissioners during special conferences on technical and policy issues including rate design, finance, service, and consumer services. He supervised the regulation of over 100 public utilities and reviewed water treatment and other engineering plans and rate, finance, service, transfer, and accounting applications.

Among the accomplishments in this position was the implementation of a mitigation plan to reduce the withdrawals from the Queens aquifer and the first Winter-Summer rate in New York State for a privately owned public water supplier. In addition, he developed unique financing methods to fund necessary projects for small utilities that could not otherwise obtain capital.

Education:

Juris Doctor - Brooklyn Law School, 1981
 - American Juris Prudence Award in Administrative Law
 Masters of Science (Management) - Polytechnic Institute of New York, 1974

Bachelor of Engineering (Mechanical) - Manhattan College, 1970

Professional Information and Membership:

Member of the New York State Bar Admitted to the U.S. District Court for the Southern and Eastern Districts of New York Licensed Professional Engineer (Inactive) New York State Bar Association,

- Public Utility Law Committee

Appendix 2

RATE PETITION

AND

ANALYSIS

SUBMITTED BY

GREENS AT HALF HOLLOW LLC

TO

THE SUFFOLK COUNTY SEWER AGENCY

AND

THE TOWN OF HUNTINGTON

October 23, 2015

OVERVIEW

Greens at Half Hollow LLC ("GHH" or the "Company") by this petition seeks compensatory rates that will go into effect within ninety (90) days after this filing. This petition addresses prospective rates only; *i.e.*, from the date of the decision on this petition.

This is the first increase requested since rates were first charged in 2002, 13 years ago. The rate requested is \$869.25 annually per Single Family Equivalent ("SFE") as compared with the 2002 rate of approximately \$587/SFE charged to Greens at Half Hollow Home Owners Association ("HOA"). The increase is equivalent to only a 3.9% annual increase.

This rate filing is necessary to cover increasing costs and in particular the legal cost imposed on the Company. Litigation cost is a cost of doing business that is recovered through rates. The litigation costs arise from suits instituted by the HOA.

GHH provides sewerage services to the HOA and several other entities connected to the system, all on the site of the former Long Island Development Center. Other connected entities include the HSC No. 5 Housing Development Fund Company, Inc.; HSC No. 6 Housing Development Fund Company, Inc.; Long Island Developmental Disabilities Service Office; Country Pointe Dix Hills Home Owners Association, and the Greens Golf Club LLC. Based upon the Report, Map and Recommendations for the Proposed Formation of the Suffolk County Sewer District No. 26 - Melville Huntington, by the County of Suffolk Sewer Agency, dated September 2014 ("Sewer Agency MPR"), there are a total of 1,148 SFEs¹ served by the GHH sewer system

GHH was authorized by the Town of Huntington ("Town") and the Suffolk County Sewer Agency ("Sewer Agency") to provide a sewer system for the disposal of sewage through a system of pipes, lines, treatment plants, and other means of disposal. It, as authorized, erected a sewage treatment plant and installed collection and transport mains, pump stations, and appurtenances, and operates, maintains, and performs other necessary acts incidental to the provision of sewerage services in areas within the Town. In addition to authorizations by the Town and the Sewer Agency, the operation of its privately owned sewer system has been approved by the New York State Department of Environmental Conservation and the Suffolk County Department of Health.

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¹ Upon the implementation of the rates requested, GHH will bill each entity based upon the number of SFEs set forth in the Sewer Agency MPR. GHH will continue to bill each entity and not the individual units that may be served by the entity.

UTILITY RATE SETTING

In the United States, utility services are provided by government entities and private businesses. Government entities that provide utility services in New York include the Long Island Power Authority, the Suffolk County Water Authority, the Suffolk County Sewer Agency, and water and sewer districts established and administered by towns and villages that provide utility services directly as part of their governmental function. Private, investor-owned, businesses that provide public utility services include large corporations such as Consolidated Edison, Inc., Verizon New York Inc., and Long Island American Water. Utility services are also provided by smaller independently owned private utilities such as United Water South County Sewer Inc., Rolling Meadows Water Company, and GHH.

The rates charged by government-owned utilities are often determined by the entity itself with the rate thereafter approved by its board, local municipal government, or a legislature. In some cases the New York State Public Service Commission ("PSC") has jurisdiction of municipal rates. The rates charged by privately owned utilities are in most instances set by government regulators.

Rate Setting for Privately-owned Utilities

The PSC sets the rates charged by most investor-owned utilities pursuant to the provisions of the Public Service Law ("PSL"). However, the rates charged by investor-owned sewer service providers are not under the jurisdiction of the PSC. Investor-owned sewer systems are subject to Article 10 of the New York State Transportation Corporations Law ("TCL") §115(1), and the rates charged are set by agreement between the utility and the local governing body. In Suffolk County, the TCL authorizes the Sewer Agency, in conjunction with a local governing body and the utility, to set sewer rates. TCL §121 states that sewer rates are set "by agreement of the local municipality, the developer, and in the County of Suffolk, the Suffolk County Sewer Agency".

Although it does not set rates for sewer service utilities, the PSC sets rates for gas, electric, steam, telephone, and more than 300 water companies in the State of New York. As a result, the PSC has far more experience setting utility rates than any other entity in the State of New York. Thus, the courts have relied on its precedents when reviewing sewer rates set by local governing bodies and the utility.

Whether the rates are set pursuant to the PSL, the TCL, or any other statute, all rates set for a privately-owned regulated business, like GHH, must meet the constitutional requirements established by the Supreme Court of the United States in Federal Power

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Commission v Hope Natural Gas Co. City of Cleveland, 320 US 591 (1944). To meet this threshold, the rates permitted must be adequate to generate enough revenue to pay the utility's operating costs and provide a return on its investment. TCL § 121 incorporated the constitutional requirements and the courts of the State of New York have found that:

"[a sewage-works corporation] is 'entitled to rates which are 'fair, reasonable and adequate' (Transportation Corporations Law § 121) and may not be denied a reasonable rate of return on its investment' (*Huff v C.K. Sanitary Systems*, 260 AD2d 892, 897)" (*Bennett Road Sewer Co. v Town of Camillus*, 273 AD2d 902, 903 [2000]).

In addition, the statute provides that the regulators have 90 days from the date the petition is made by the utility to reach an agreement on the rate to be charged. The utility can extend the regulators' time to decide, but if no extension is granted and a regulator fails to act, the rates go into effect as filed. (TCL § 121.)

COMPUTING UTILITY RATES

The rates agreed upon must generate enough revenue for the Company to pay its expected operation and maintenance expenses, taxes, and depreciation, and earn a return on any capital needed to operate the business. The general formula is simply:

Revenue from Rates = Expenses + Return on Investment

A utility's expenses include all the costs that will be incurred by the utility to conduct its business. These include, but are not limited to, electricity, fuel, telephone, chemicals, labor, management, professional fees, rent, depreciation, and taxes. Some costs, such as unusually high legal expenses and rate case expenses, are amortized to collect over a period in excess of one year since the same high level of expense is not expected to be incurred every year. The average unamortized balance of the funds not collected in the first rate year are included as capital required to operate and become part of the investment on which the utility will earn a rate of return.

The return on investment is the rate of return multiplied by the amount of capital used to provide utility services. The rate of return must be "commensurate with returns on investment in other enterprises having corresponding risks" (*Hope*, 320 U.S. at 603). The investment is the amount the utility's owners have dedicated to the provision of utility service and includes the investments in plant, capital needed to maintain the

Page 3 of 8

business, capital expenditures expected during the rate period, and the unamortized balance of funds deferred for later collection.

THE RATES REQUESTED

Revenues and the Revenue Requirement

The method used to develop the revenue requirement and rates in this petition follows accepted rate-making practices for sewage-works corporations in New York State. Appendix 1 includes historic and proposed income statements and a pro forma computation of the Company's capital investment; operation and maintenance expenses; projected pre-tax rate of return on its capital needed to operate the business, and the resulting rate per SFE. Operation and Maintenance expenses are annualized based upon the costs incurred in past years as stated in GHH's financial statements or estimated based upon the current level of expense. Although permitted under accepted regulatory practice, GHH has not included in rates projected increases in expenses that will likely occur from inflation. GHH reserves its right to supplement the application to include projected increases in costs.

Appendix 1 is a summary of GHH's revenue, expenses, and capital costs under the existing and proposed rates. The total revenue required in the *pro forma* rate year is \$1,267,373. This level of revenue is intended to generate enough income after expenses to provide an 11% pre-tax rate of return on the unamortized expenses and the capital required by the Sewer Agency to be held by the business.

Although the adequacy of rates cannot be set by comparison with other utilities, the proposed rate of \$869.25 is within the range of rates affirmed by courts in the State of New York for privately owned sewer systems. The Supreme Court, County of Westchester, set aside the Town of East Fishkill's determination and granted the rate of \$2,071 per customer for a 2007 rate year that was requested by Sagamor Sewer Corp. ("Sagamor"). Sagamor was a much smaller company, so a higher rate per customer is expected. For a larger company, the Appellate Division affirmed a rate set by the Town of Somers for Heritage Hills Sewage-Works Corporation ("Heritage Sewer"). The rate set was \$676.56 for some Townhouses and \$538.20 for condominiums. Considering that Heritage Sewer is larger than GHH, and the rate was set eleven years ago, GHH's proposed rate is about the same or less than that approved for Heritage Sewer.

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O & M, Depreciation, and Taxes

Appendix 1 shows a detailed statement of the costs GHH incurs to operate, supervise, and manage the system. GHH's rate year operation and maintenance expenses reflect for some line items the most recent data available; in others, a normalized level based upon an average of past periods that are representative of costs, and, for legal expenses, the current estimate of what would be normal without the extraordinary litigation expenses that is being amortized.

Management oversight and direction, labor, and related costs are necessary business expenses and recognized in precedent. The amount in the *pro forma* column is the average stated for the prior three years. GHH's management reviews the propriety of repairs, maintenance, and replacements and makes the final decision on all significant expenditures and selected suppliers. The Company's management selects the contract operator and has final responsibility to see that the payments are justified. Furthermore, considerable time is devoted to the current regulatory/legal proceedings involving GHH and includes time involved in this rate petition. The excellence of Management's performance is reflected in the finding by the Chief Engineer - Sanitary of the Suffolk County Department of Public Works that "the plant is in good working order and . . . no repairs were determined to be necessary" (see Sewer Agency MPR, Exhibit H).

In this filing, GHH has not claimed, in this rate application, annual depreciation nor a return on the plant used to provide service, but reserves the right to do so.

Amortizations represent the deferral and collection of litigation expenses over a three-year period. See Schedule 2.

Since GHH's revenue requirement is based on a pre-tax rate of return, no allowance for income taxes were included in the revenue requirement or rates.

Capital Costs and Amortized Expenses

GHH is not presently claiming, in this case, a return on the amount it paid for the sewer plant.² However, there is a significant amount of capital that GHH has dedicated to operating to provide sewer services. The capital used has a cost, and that cost must be included in prospective rates.

GHH has dedicated capital to pay extraordinary expenses. GHH has been burdened and paid substantial litigation expenses above what is normal for a company of

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² A return on the cost of plant or a part of the cost of plant may be requested in the future.

its size. The above normal litigation expenses to date total \$1,267,489. This amount has been deferred for rate purposes and is amortized in the proposed rates.

Appendix 2 shows the amortization of the litigation expenses and the capital cost related to the Capital Replacement and Repair Fund and the Operating Fund ("Contingency Funds") that GHH is required to maintain.

The litigation expense is amortized over three years. The amortized annual charge of \$422,496 is included in the estimated annual operating expenses, shown on Appendix 1. The unamortized portion is recognized and a pre-tax rate of return on the unamortized amount is included in the revenue requirement. A pre-tax rate of return on the amounts required to be in the Contingency Funds is also included in the revenue requirement.

No working capital allowance is included in rates since rates are to be billed in advance. If the rates were billed in arrears, a working capital allowance would have to be included in the revenue requirement. The accepted working capital allowance would be approximately 21% of the *pro forma* Operation and Maintenance expenses.

Rate of Return

The allowed return on capital for a utility must be commensurate with the returns earned by similarly situated entities. See, *Hope*. GHH's proposed rates are intended to generate an 11% pre-tax rate of return. The use of a pre-tax rate of return is an accepted method of computing a fair return on a small utility's investment. This method avoids the need to estimate and justify the amount of debt and equity that is used by the utility for its investment in plant and is the method used for most small, closely held, utilities.

An 11% pre-tax rate of return is consistent and commensurate with the rates of return allowed to small sewerage-works corporations by other towns in New York State. The Town of Dover granted the Reagans Mill Sewage Company, Inc., an 11% pre-tax rate of return in September 2003. The Town of East Fishkill granted a rate of return of 11% to Sagamor Sewer Corp. in March 2009 after the Supreme Court found its denial of a rate increase generated an inadequate return.

The 11% pre-tax rate of return is also consistent and commensurate with rates of return currently being allowed to small water companies by the PSC. The PSC granted an 11% pre-tax rate of return to Woodbury Heights Estates Water Co., Inc., Mt. Ebo

Page 6 of 8

³ Case 11-W-0333 – Minor Rate Filing of Woodbury Heights Estates Water Co., Inc., May 29, 2012.

Waterworks, 4 and Rolling Meadows Water Corporation. 5 In addition, the PSC granted an 11.5% pre-tax rate of return to Pabst Water Company, Inc. 6

A rate of return expert could be retained to demonstrate the reasonableness of a requested rate of return by the use of comparative data developed from other companies and the stock market. Since the financial and business risk associated with operating a sewage-works corporation are greater than for a water utility, a rate of return expert would likely recommend a higher rate of return for GHH than 11%. However, the cost for an expert's study would be among the cost assessed on the customers. If the regulators are reasonable, the cost for such a study will be unnecessary. Moreover, the PSC's returns are based upon the same kind of analysis, which have been found to meet the mandate set by the United States Supreme Court referenced above. Thus, GHH has chosen to adopt the rate of return granted to small water companies by the PSC and by other municipalities to small sewerage-works corporations and avoid expending customer funds for a costly expert study. However, should the rate of return recommended by the regulators be less, GHH reserves the right to retain a rate of return expert, present the study to the Town, and include the cost as part of the cost to be included in rates charged to the customers.

Revenue Requirement

The revenue required to operate the plant and provide an opportunity to earn a fair and adequate return on the capital needed by the utility to provide service is calculated on Appendix 1. The Appendix shows that revenues of \$1,267,373, should be adequate to pay the Company's costs and produce an 11% pre-tax rate return on the capital needed to provide service.

The rate of \$869.25 per SFE was determined by dividing the total revenue needed by the 1,458 SFEs estimated by the Sewer Agency. The rate for each entity is shown on Appendix 3.

CONCLUSION

GHH's rate request is reasonable and fully supported particularly when compared with how much it would cost the Sewer Agency to run the system and the rates the Sewer Agency would charge to cover the true operating costs.

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⁴ Case 12-W-0210 – Minor Rate Filing of Mt. Ebo Waterworks to Increase its Annual Revenues, November 27, 2012.

⁵ Case 12-W-0445— Rolling Meadows Water Corporation, Minor Rate Filing, April 19, 2013.

⁶ Case 11-W-0604 – Minor Rate Filing of Pabst Water Company, Inc., June 6, 2012.

The Sewer Agency's projected operating expenses should be lower than for a private entity like GHH. The Sewer Agency

- (1) realizes large economies of scale from the number of systems it operates and the number of customers it serves,
- (2) has a much lower cost of money from its access to tax-free financing,
- (3) receives a tax subsidy, and
- (4) pays no income taxes.

Yet, GHH's pro forma Total Operation and Maintenance Expenses at \$639,040 are \$50,000 less than the Sewer Agency's 2014 budget estimate for the operation and maintenance of this system at \$698,000 (Sewer Agency MPR, p. 4).

In addition, GHH must incur expenses that are not incurred or directly paid by a sewer district. Regulators, i.e., the Town and the Sewer Agency, must allow GHH to recover such cost in rates. These costs include GHH's legal expenses. The annual amortization and recovery of the legal expenses is \$538,683 (\$422,496 + \$116,167; see Schedule 2). This item alone is \$369/SFE in the proposed rate. The table below compares the costs and resulting rate for the Sewer Agency with the cost and rate for GHH.

	Sewer A	gency	GH	H
	Annual	Per SFE	Annual	Per SFE
O&M Expenses	\$698,000	\$479	\$639,040	\$438.30
Legal Expenses	Wed reference		538,683	369,47
Cost of Capital Required			89,650	61.49
Total	\$689,000	\$479	\$1,267,373	\$869.25

Especially since GHH's O&M Expenses are less than that that would be charged by the Sewer Agency to operate the same plant and since its Legal Expenses and Cost of Capital are costs of doing business that cannot be denied to a regulated entity, GHH's rates are very "fair [and] reasonable" and should be granted without delay.

Dated: October 23, 2015

/ Albert A. Natoli, Esq.

On Behalf of Greens at Half Hollow LLC

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GREENS AT HALF HOLLOW SEWER TREATMENT PLANT

Statement of Revenue, Expenses, Capital Cost, and Revenue Required

		Statement of Revenue and Expenses*	ue and Expenses*		
	December 31, 2012	For the Period Ended December 31, 2013 December	iod Ended December 31, 2014	September 30, 2015	Pro Forma 2016 with Increase Method
Number of SFEs Rate per SFE					8 5 Sch
Revenue	770 0000	000 000	900 7476	0037500	
Sewel	\$000,314	3404,473	4471,905	932,300	\$1,201,301 SCII. S
Expenses					
Operations - Severn Trent	\$191,800	\$212,866	\$202,504	\$131,613	\$202,390 Av 3 yrs
Engineering	30,791	1			10,260 Av 3 yrs
Insurance	1	13,616	3,949	22,360	22,360 Current Est
Legal and professional fees	16,825	262,579	651,982	311,946	21,000 Most Recent
Miscellaneous		200	169	675	220 Av 3 yrs
NYS filing fee		1,500	2,075	200	1,190 Av 3 yrs
Office	8,316	969	882	4	3,270 Av 3 yrs
Security	537	495	515	430	520 Av 3 yrs
Telephone	3,512	3,591	2,395	2,025	2,400 Most Recent
Utilities	77,625	90,449	066'68	60,249	89,990 Most Recent
Wages/salaries and related costs	300,022	285,166	271,118	211,838	285,440 Av 3 yrs
Total Operation & Maintenance Exp.	\$629,428	\$871,361	\$1,225,579	\$741,636	\$639,040
Amortization and Capital Costs					
Amortized Deferred Legal Exp.					\$422,496 Sch. 2
Return on Unamortized Legal Exp.					116,187 Sch. 2
Cost of Capital Required					89,650 Sch. 2
Total Amortization and Capital Cost					\$628,333
Net Income (Loss)	\$33,486	(\$466,932)	(\$753,614)	(\$414,136)	
Net Income After Amortization and the Cost of Capital	of Capital				(9\$)

Raich Ende Malter & Company prepared the 2012, 2013, and 2014 compilation of Revenue and Costs and the staff of the Company prepared the compilation for the period from January 1 thru September 30, 2015.

GREENS AT HALF HOLLOW SEWER TREATMENT PLANT

Computation	of Deferred	Legal Expenses
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		Normal	Total	
Legal Expenses	Incurred	Level	Deferred	
2013	\$262,579	\$21,000		
2014	651,982	21,000		
Estimate to Year End 2015	415,928	21,000		
	\$1,330,489	\$63,000	\$1,267,489	
Amortiza	ation and Ca	pital Costs		40
Amortization of Litigation Expenses				
Deferred Litigation Expenses		\$1,267,489		
Amortization Period (yrs.)	3			
Annual Amortization	\$422,496			
Average collected in rate period		211,248		
Average Unamortized Balance			\$1,056,241	
Capital Cost for Unamortized Balance	of Legal Exper	nses		
Cost of Capital (Pre-Tax)				119
Capital Cost on Unamortized Litigat	tion Expenses			\$116,187
Capital Requirement for Contingency	Funds Imposed	by		
Agreement with the County				
Capital Replacement and Repair Fun	nd	\$65,000		
Operating Fund		750,000		
Total Capital Imposed			\$815,000	
Capital Cost for Contingency Funds				
				24 45 45
Cost of Capital (Pre-Tax) Total Capital Cost				\$89,650

Total Capital Dedicated or Encumbered to Provide Service

GREENS AT HALF HOLLOW SEWER TREATMENT PLANT Revenue From Rates

Subdivision	#/SF	Es	Annual Per SFE	Monthly	Annual
1 Greens at Half Hollow HOA Gate House Total HOA	1,144	1,145	\$869.25	\$82,940.94	\$995,291.25
Greens Golf Club, LLC Club House Pool House Storage Building Total Greens Golf Club, LLC	10 1 1	12	\$869.25	\$869.25	\$10,431.00
2 Country Pointe Dix Hills HOA	Salema library	72	\$869,25	\$5,215.50	62,586.00
3 LIDDSO - Long Island Developmental Disabilitie Sagamore Childrens Hospital Rainbow Commons Melville Estates Single Family (Old South Path)	es Service Of 78 24 24 3	fice			
Total LIDDSO 4 H.S.C. No. 5 Housing Development Fund Compa	7.7	129 70	\$869.25 \$869.25	\$9,344.44 \$5,070.63	112,133.25 60,847.50
5 H.S.C. No. 6 Housing Development Fund Compa Total		30 1,458	\$869.25	\$2,173.13 \$105,613.89	26,077.50 \$1,267,366.50

Proposed Sewer District No. 27 - Forge River

The proposed Sewer District No. 27 – Forge River will include 2,094 residential and commercial parcels in the Mastic – Shirley area. The creation of the Sewer District, to be implemented as part of the Forge River Watershed Sewer Project, will result in significant improvement in water quality, coastal resiliency and economic and social benefits for the Forge River watershed. The project proposes to construct gravity and lower pressure sewers along with eight pump stations and to construct a wastewater treatment plant at Calabro Airport to treat the flow of one million gallons per day.

The project is part of the Suffolk County Coastal Resiliency Initiative that seeks to mitigate impacts to human life and property, surface waters and coastal wetlands, associated with onsite wastewater system failures caused by natural hazards. The design portion of the project will be funded through the Clean Water State Revolving Fund loans provided by the New York State Environmental Facilities Corporation (EFC) and the construction portion of the project is expected to be funded by the FEMA Hazard Mitigation Grant Program (HMGP).

SUFFOLK COUNTY SEWER AGENCY

RESOLUTION NO. ____ **-2016**

AUTHORIZING THE PREPARATION OF DOCUMENTS AND PROCEDURES TO CREATE SUFFOLK COUNTY SEWER DISTRICT NO. 27 – FORGE RIVER

WHEREAS, a sewer district, encompassing the critical residential and commercial areas in the Forge River watershed will improve the water quality in the Forge River and the Mastic / Shirley area, and

WHEREAS, the project to create the sewer district in the Forge River watershed is part of the Suffolk County Coastal Resiliency Initiative that seeks to mitigate impacts to human life and property, surface waters and coastal wetlands, associated with onsite wastewater system failures caused by natural hazards, and

WHEREAS, it is also in the environmental and economic interest of the Mastic / Shirley area, for the County of Suffolk to construct gravity and lower pressure sewers along with eight pump stations and to construct, maintain, and operate a wastewater treatment plant at Calabro Airport to treat the wastewater flow of one million gallons per day from the critical residential and commercial areas in the Forge River watershed, and

WHEREAS, the creation of Sewer District No. 27 – Forge River will permit the said facilities to be constructed and prevent further degradation of the Forge River basin, and

WHEREAS, the proposed district will include Two Thousand Ninety-Four (2,094) residential and commercial parcels in the Mastic / Shirley area and

NOW, THEREFORE, IT IS

1st RESOLVED, that the Suffolk County Charter (Article VIII - §C8-1-B) establishes the Commissioner of the Suffolk County Department of Public Works as the Administrative Head of all of the Suffolk County Sewer Districts, and

2nd RESOLVED, that the Administrative Head of the District is hereby authorized to proceed with the preparation of a report for the creation of the proposed Suffolk County Sewer District No. 27 – Forge River, and

3rd RESOLVED, that the creation of a sewer district authorized herein is subject to the approval of the Suffolk County Legislature, the New York State Department of Environmental Conservation, and the New York State Comptroller, and it is further

4th RESOLVED, that the Administrative Head of the District is hereby further authorized to, in conjunction with the Department of Health Services and the Department of Law, to prepare and submit the application to the Office of the NYS Comptroller for the creation of Suffolk County Sewer District No. 27 – Forge River.

(Suffolk County Sewer Agency Meeting February 22, 2016)